Mayor Paul Whitcomb called the meeting to order. Council members present was Thom Walker, Jack Edmonds, Jules Zimmer, and Jeff Reynolds. Staff present, Administrator Robert Barbian, Finance Director Steve Jackson, Police Chief Todd Frederick, Public Works Director Bob Gerold, Clerk Shawna Jenkins, Liquor store manager Nancy Campbell, Wastewater Plant Manager Chris Klinghagen and Fire Chief Ron Lawrence.

Great Northern Trail Payment Options

Barbian advised that the City of Princeton has been planning for the extension of the Great Northern Trail for a number of years. The City successfully applied and was awarded a TAP grant of $509,691.00. The overall project is estimated to cost $1,055,450.00.

In order to keep the TAP grant and move the project forward the City will need to proceed to complete the final design engineering.

The Great Northern Trail has funding needs of $454,472.00. To fund this, City Administration with assistance from WSB and Northland Securities, Inc has gathered two funding alternatives for Council consideration.

City staff would like a determination from the Council on funding and authorization to have the design engineering advanced.

ANALYSIS of FUNDING:

**Option 1.** Utilize a General Obligation debt issuance paid by tax collections. In this scenario, staff has looked at issuing $479K bond with repayments over 10 years and over 15 years. The attached chart has been prepared to provide an overview of the impact on the City tax rate. As you will see the amortization influences the impact. The property tax rate will increase 19.80 with a 15-year bond or 26.85 with a 10-year bond on a home with a taxable market value of 150K. Other properties are shown on the attachment.

**Option 2.** Utilize General Obligation or Cash Reserves paid by a Franchise Fee. In this scenario staff and WSB considered a few alternatives and settled on an initial scope labeled, Parks & Trails Franchise Fee. In this scenario the amount was increased slightly to encompass additional funds for a few high impact/visual projects such as toys at the splash park. The attached Franchise Fee Analysis shows 547K being raised over three years. As the chart is reviewed the alternatives show the Franchise fee being equal for both gas and electric. The rate utilized for a residential customer is 1.50 per month per meter. To note the small Commercial and Large Commercial/Industrial fee is 2.50 and 55.00 respectively. This providing some equalization of the larger property values and gas and electric usage.

RECOMMENDATION:

Barbian asked the Council their thoughts on funding options and mentioned modifications can be made while proceeding with the project.
Andy Brotzler introduced Jen Edison, who has worked with several cities that have implemented franchise fees.

Edison stated that the City of Rogers uses Franchise fees, and has an ordinance in place that states the funds can only be used in particular ways. They also revisit it every 5 years.

Brotzler said the council would need to decide what the anticipated projects are that the funds would be used for. It could be set to review it in 4-5 years and it could be ended, or continued with new projects being slated for the funds.

Edmonds asked how flexible the funds are. Edison said it is not a slush fund. For an example, the City of Rogers has a plan and are very open with where those funds are spent.

Barbian asked if you could add in road reconstruction as well. Brotzler replied that he suggests slating it for Parks, Trails and sidewalks for now. In a few years when it was time to review the Franchise fees, road work or other type of projects could be added.

Reynolds asked how the trail will be paid for, as it will take a few years to collect the necessary funds. Barbian responded that they can either use reserves to pay for it, or take out a short-term note, which would both be paid back by the franchise fees.

Whitcomb asked what determines the fee that churches, schools and other tax-exempt properties would pay. Edison stated that those would be looked at in terms of numbers of meters and usages.

Zimmer asked how these fees were determined. Brotzler responded that they originally started with a higher number, replicating other City’s franchise rate fees ($4 per utility) this proposed fee is smaller than typical franchise fee. In Elk River and Rogers, it ends up being about $10 per residential property, but they use them for streets projects

Reynolds likes the idea of the franchise fees, but would like to see it scaled back just a little bit, as there are 2 other new fees that they are now seeing on their utility bills.

Zimmer asked if you need to set a time line. Edison recommends setting a time line as to when to review the franchise fees.

Walker said he thinks you may want to leave it a little more open ended, as there are a lot of projects that could be done. He mentioned the bridge over the river to Riebe Park.

Edmonds questioned how the city collects the fees. Edison responded that the City can determine if they would like it yearly, quarterly, etc. said Rogers and Elk River both collect a quarterly check.

Brotzler said one thing to consider if they left it more open, the public will want to see a pretty clear plan in what the dollars will be used for. It could be set up so the Council needs to reviews and determine new projects every 3-5 years. Putting it out 10 years may be a big tough for residents to take.
Walker said Mille Lacs County is also working on their trail plan, so we may eventually need to link up to their trail.

Whitcomb asked if you can reallocate any left-over funds there were funds after the designated projects were paid for. Edison responded that the Council would need to pass a new ordinance.

Brotzler added that there is a fair amount of work to do to implement franchise fees. It will likely be a 6-8-month process.

The projects don’t need to be determined now, but Edison stated that when you go to the Public with the information, some projects do need to be determined. said when you do go to the residents with this, you really need to have some projects determined.

Barbian said they may want to have an open house on the franchise fee plan, where the council could also get project ideas from the public.

Zimmer asked how much time we have with this grant. Brotzler stated that the project needs to move forward. Barbian added that the Council needs to decide tonight how to fund the city’s portion of the project.

**WALKER MOVED TO APPROVE MOVING FORWARD WITH SETTING UP AND IMPLEMENTING A FRANCHISE FEE. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.**

**Great Northern Trail Design Engineering contract**

Brotzler provided a summary of the project, fees and provided an update on the remaining tasks requiring authorization to deliver the Great Northern Trail project in 2019. In order for the overall project to remain on schedule for a March 2019 bid opening, the remainder of the tasks will need to be authorized in March 2018. This will allow adequate time for the right-of-way process to be performed by Sherburne County.

**PROJECT BACKGROUND**
This project is a TAP bike/pedestrian trail project and is funded with federal and local dollars. The project connects an important gap in the Great Northern Trail (GNT) through the City of Princeton. The trail will run from the north at, Great Northern Depot and Rum River Trail at the Mark Park Athletic Facility and end at a future connection at Rum River Drive on the south end. (see Figure 1). The City has begun discussions with some of the property owners along the corridor, although it is assumed a maximum of 15 parcels will require some level of permanent and/or temporary easement. The following is a list of some of the design challenges that will need to be addressed during the design process:

- Steep slope on the west side of Rum River Drive
- Utility relocations along the corridor
- Pedestrian crossing upgrades at Rum River Drive and Northland Drive signal
Ensuring adequate drainage design (ditch capacity)
Wetland impacts and mitigation
Challenges associated with crossing below the TH 169 bridge

PROJECT DESCRIPTION
The project will include construction of a ten (10) foot wide, 9,500-foot-long bituminous trail with a two (2) foot clear zone on both sides. Construction activities will include grading, trail construction, retaining wall construction, drainage, landscaping, wayfinding signage and crosswalk signing.

The project has been awarded $509,691 of federal grant funding. The total estimated project cost included in the 2013 grant application was $811,392.85. Based on previously authorized and completed work, a technical memorandum was completed in 2017 to develop an updated estimated project cost of $994,163.

PROJECT APPROACH 1 SCOPE OF SERVICES

WSB's project scope and proposed work plan are based on our understanding of the project as outlined above. In order to complete the required preliminary and final design, federal environmental document and associated permitting for the project, we propose the following scope of services:

1. **Technical Memorandum (Cost Feasibility) (Completed):** WSB has prepared a technical memorandum that describes the proposed improvements and anticipated cost of the improvements. The memorandum compared the cost and the funding for the project.

2. **Preliminary Design:** Sherburne County has completed the topographic survey for this project. It is our understanding from preliminary discussions with Sherburne County that they will complete the survey and prepare topographic base files for the project. Based on this, no estimated fee for the survey has been included in this proposal. WSB will use this data to prepare initial layouts and cost estimates.

   A. **Review Base Layouts and Site Visit:** WSB will meet with Sherburne County survey staff to ensure the necessary topography is surveyed. WSB will review the base files created by Sherburne County and provide feedback to Sherburne County to ensure an accurate base file is created and will be used during design. The base files have not been created as of yet.

   B. **Conceptual Layouts:** WSB will create preliminary geometric layouts of proposed improvements. The layouts will include alignments that match trail and bikeway guidelines. Initial construction limits will be developed.

   C. **Utility Coordination:** WSB will coordinate with the private utility companies and ensure the private utilities are shown correctly. Potential utility relocations will be discussed and be coordinated with the preliminary design.

   D. **Hydraulic Design:** WSB will determine preliminary hydraulic design and treatment requirements for the project.
3. **Right of Way Acquisition**: Sherburne County will follow the federal right-of-way process and acquire the necessary right-of-way to construct the project. WSB will complete the parcel sketches and legal descriptions.
   A. Parcel Sketches and Legal Descriptions: WSB will provide legal descriptions and parcel sketches for the parcels that require either permanent or temporary easement. The sketches and legals will be drafted based upon the initial construction limits as set by the design team. WSB will show the trail improvements, construction limits, existing and proposed right-of-way lines and existing topography.

4. **Final Design**: WSB will prepare final design plans and work through the federal design process with MnDOT State Aid.
   A. Plan Sheet Preparation: WSB will prepare all the necessary plan sheets including:
      - Title Sheet
      - General Layout
      - Statement of Estimated Quantities
      - Tabulated Quantities
      - Construction Notes and Standard Plates
      - Typical Sections
      - Miscellaneous Details
      - Construction Plans
      - Retaining Wall Plans
      - Intersection Details
      - Signal Plans
      - Drainage Plans
      - SWPPP/Erosion Control Plans
      - Cross Section Sheets
   B. Bid Preparation and Specifications: WSB will compile the necessary federal and City documents for the project manual.

5. **Project Memorandum**: 
   A. Early Notification Letters and Coordination
      WSB will send out letters to the following agencies to determine the potential presence of environmental resources within the project area:
      - Minnesota DNR
      - MnDOT Cultural Resources Unit
      - MnDOT Office of Environmental Services
      WSB will also conduct a check of data bases for contaminated properties in the area. Additional investigation is needed due to potential contamination, WSB will inform the City and work with the City to determine the appropriate course of action. Additional investigation on specific sites is not included in this scope of work.
   
   B. Wetland Delineation
WSB has performed a wetland delineation along the corridor in November. The delineation report will be submitted for approval in April. WSB will identify possible impacts, create the wetland replacement plan, and attend one (1) TEP meeting. The cost of wetland mitigation credits is not included in this scope of work.

Brotzler added that Sherburne County has applied for a grant at the intersection where they will be putting in the roundabout, so that will reduce the cost a little.

They met with Andrew Wittier from Sherburne County, and Sherburne County will take the lead on the project. They would like to put the trail and roundabout together in one bid. They also expect some funds from Baldwin Township on the roundabout project.

Walker asked Jackson if we can fund the trail until we began collecting the franchise fees. Barbian said the rates will likely be higher in a few years, so if they are going to bond for it, they may want to look at doing that soon.

REYNOLDS MOVED TO APPROVE THE DESIGN CONTRACT AND SCHEDULE FOR THE GREAT NORTHERN TRAIL WITH WSB. WALKER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**WWTP CIP Truck purchase and disposition of old truck**

Klinghagen reported that the Wastewater Treatment Plant is looking at purchasing a 2018 Chevy Silverado 1500 4x4 for $30,104.07

Currently, there is $31,000 budgeted for this new piece of equipment in the Sewer CIP for purchase in 2018. This is to replace a 2007 Dodge Ram 1500 we are requesting to sell at Public Auction.

WALKER MOVED TO APPROVE THE TRUCK PURCHASE FOR NOT MORE THAN $30,104.07. ZIMMER SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

ZIMMER MOVED TO ADJOURN THE STUDY SESSION AT 5:35PM. WALKER SECONDED THE MOTION. MEETING ADJOURNED

Respectfully Submitted,

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Shawna Jenkins
City Clerk

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ATTEST:

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Paul Whitcomb, Mayor